



*Farm Service Agency*

## **Nonfat Dry Milk**



Navigating the Twists and Turns



# The Milk Price Support Program

## Current Price Support Levels

- **Butter** - \$1.0500/lb
- **Nonfat Dry Milk** - \$ .8000/lb
- **Block Cheese** - \$1.1314/lb
- **Barrel Cheese** - \$1.1014/lb





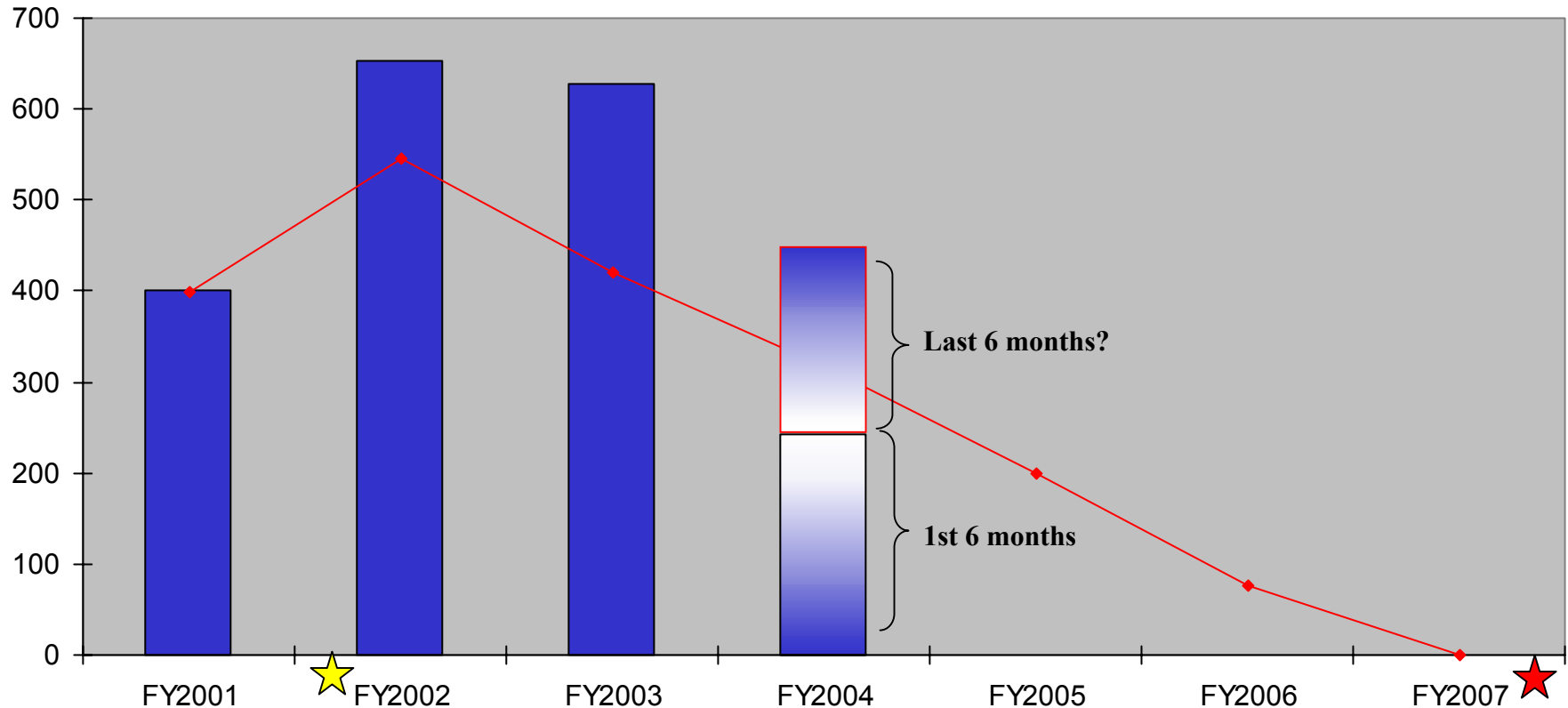
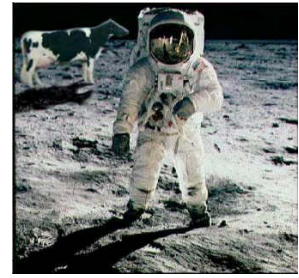
## ***Where are we now?***

### **NDM Numbers**

- **Current USDA-owned inventory:**
  - 965.8 million pounds
- **World price of NDM**
  - \$0.83/lb. > \$0.80 US Support Price
  - This time last year world price was \$0.77/lb.
- **∴ International demand, tight supplies**
  - Good for domestic dairy industries



# Forecasting the Future of NDM under Price Support



★ New Farm Bill

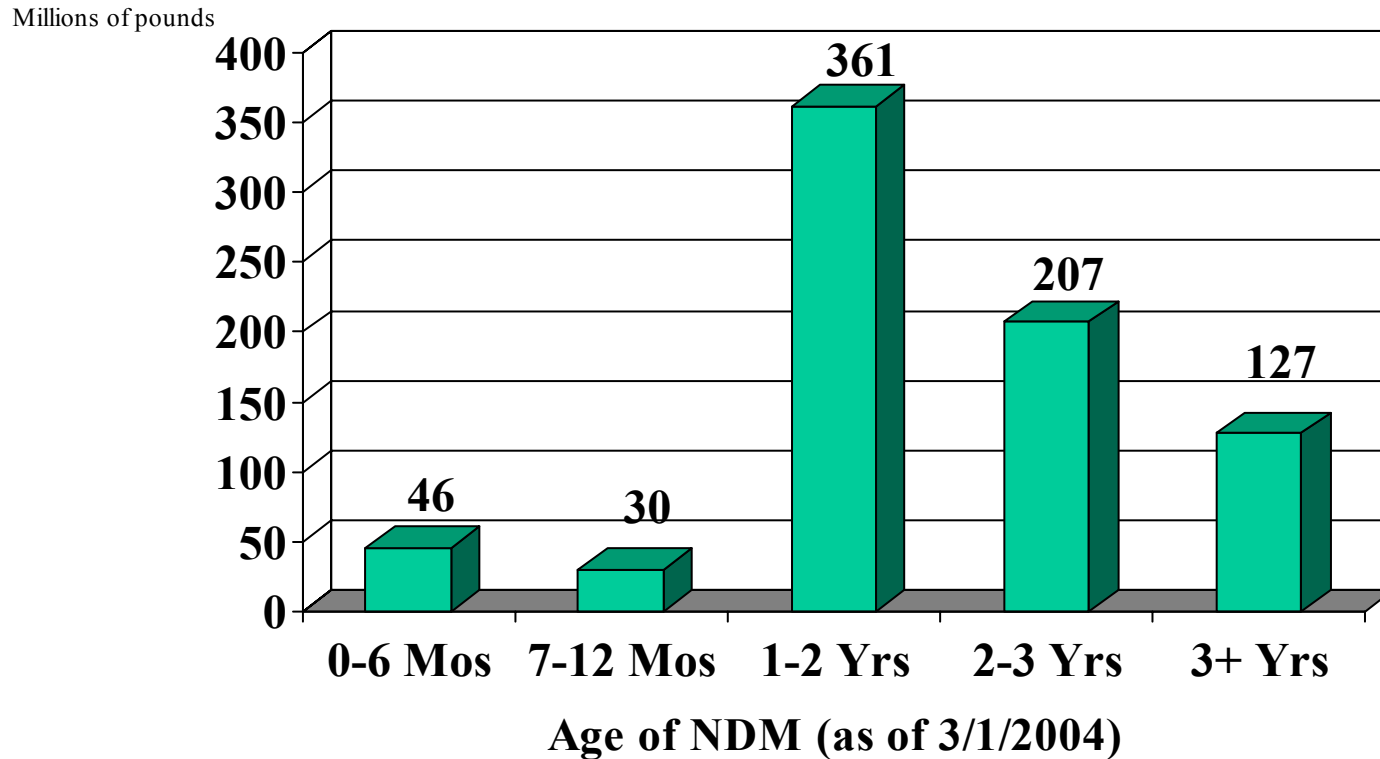
■ Actual purchases —●— Projected purchases

★ Farm Bill Ends



# NDM Inventory by Age

## Is my milk aged to perfection?



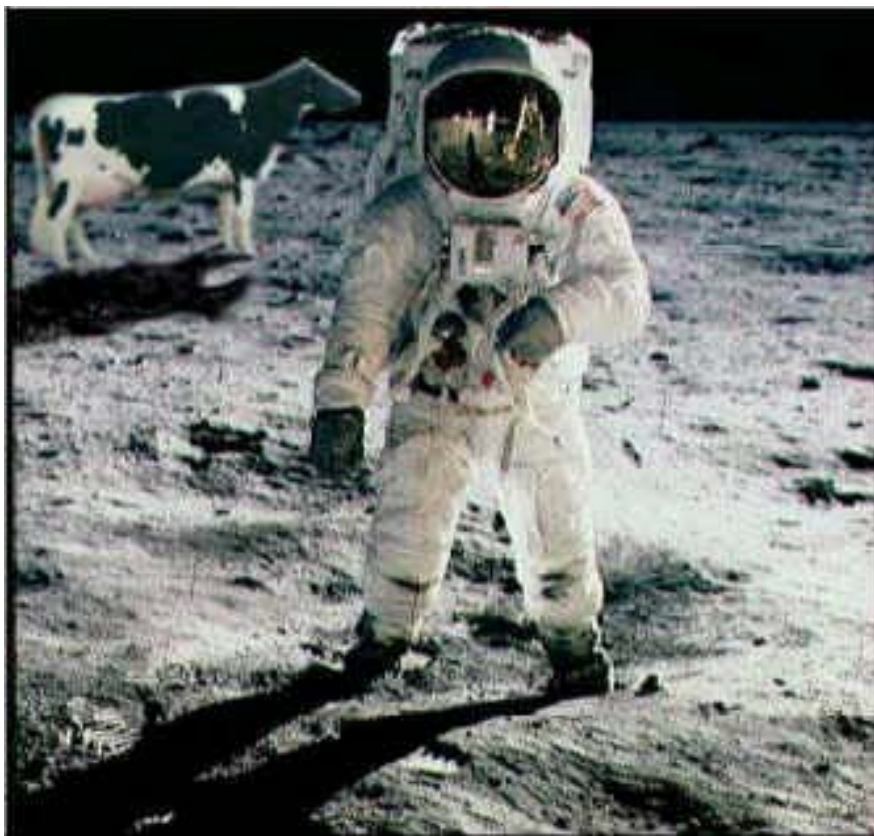


# Items affecting age & storage

## **USDA:**

- **Buys Extra Grade NDM exclusively**
  - **Grading standards**
    - Sweet and pleasing flavor
    - Natural color
    - Satisfactory solubility
    - Moisture (3.5%)
    - Fat
    - Bacteria
    - Scorched particles
    - Acidity
- **Requires three-ply paper bags — the Cadillac of packaging**
- **Re-grades NDM older than 6 months according to policy**

# ***Future of NDM***

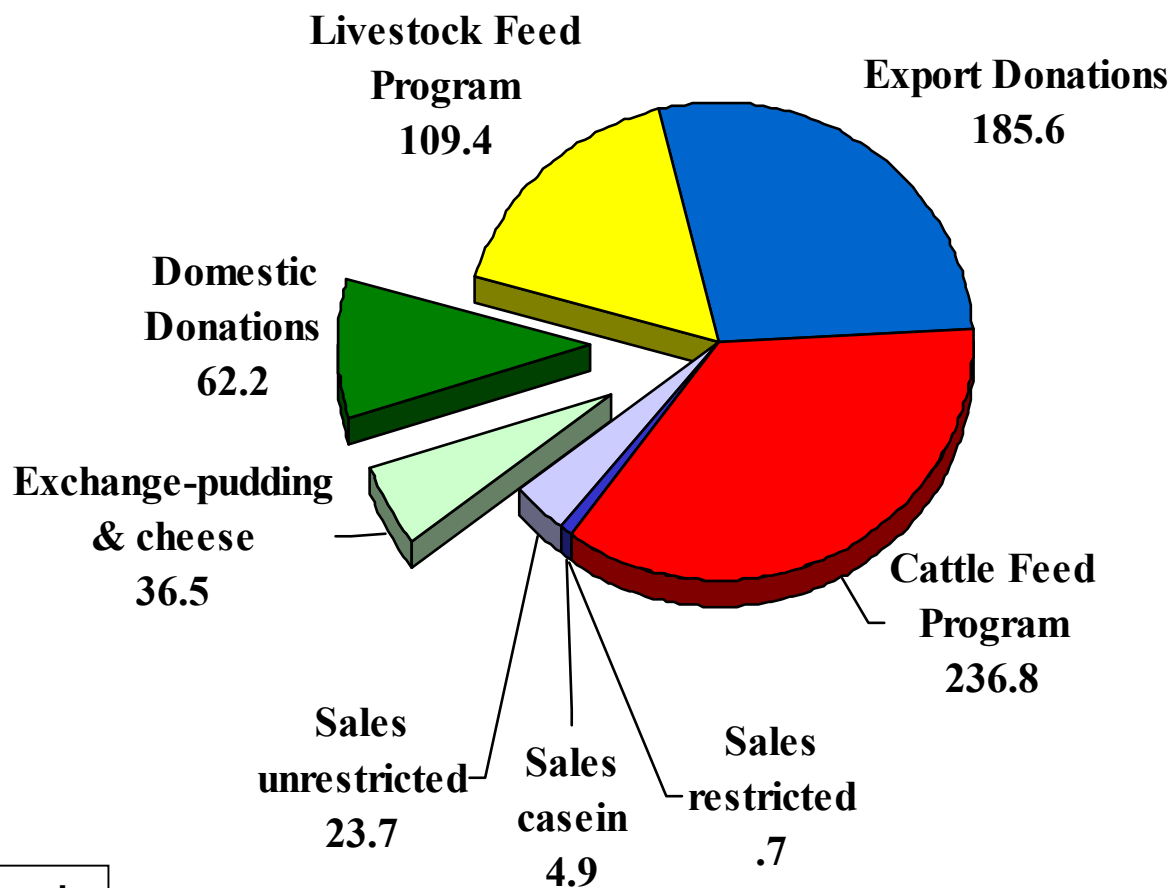


- Will surplus inventory continue?
- Future of fresh supplies?



# *How do we use NDM?*

## **Total NDM Dispositions – FY2003**



Millions of Pounds

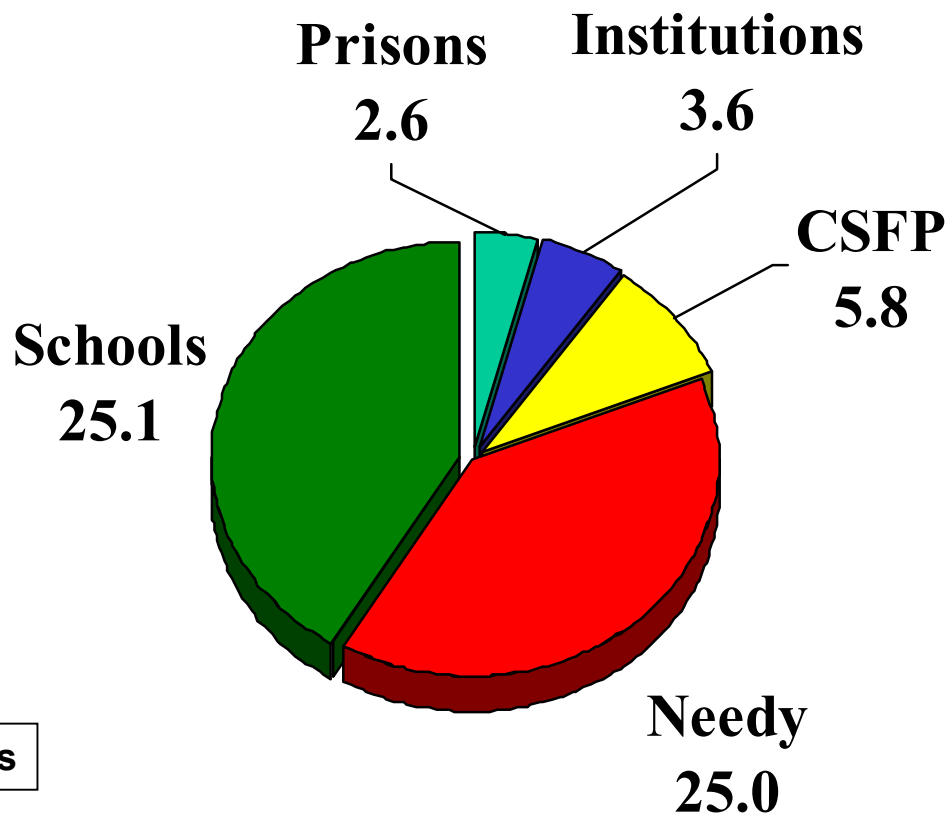




## *How do we use NDM?*

### **Domestic NDM Dispositions – FY2003**

**Total Delivered through Domestic Food Distribution Programs administered by FNS**

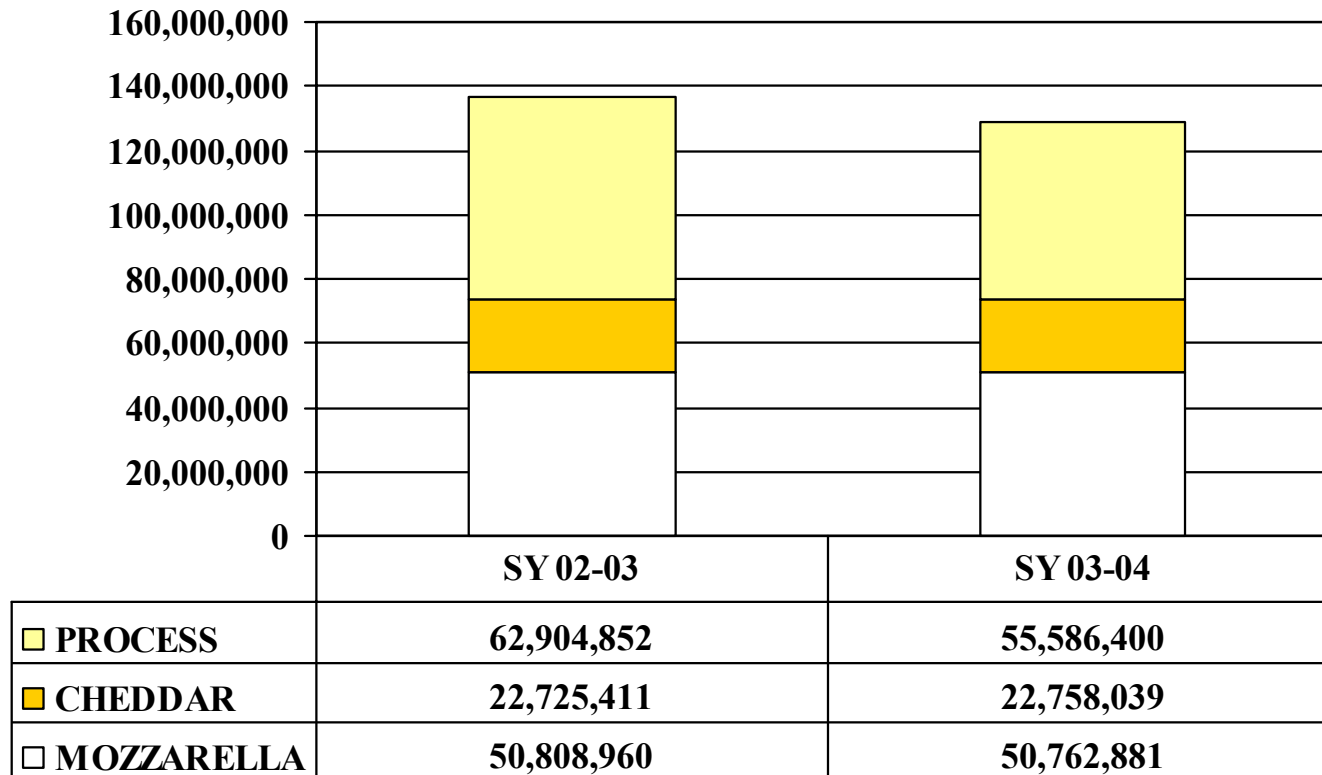


**Millions of Pounds**



## USDA-owned NDM for state processing

- Relationship to commodity cheese purchases?
- Competitive cheese purchases are comparable to last year





# New Initiatives

- Fortifying shelf stable milk
- Fortifying fresh milk
- Bonuses!
  - Pudding
  - String cheese?
  - Ranch dressing?
- What about CSFP?



**Do you like anything about this?**

Don't leave  
us in the  
sticks!

<http://www.fsa.usda.gov/daco/>

